

**Spring 2005**

**HUD**



# **Atlanta HOC Newsletter**

Atlanta Homeownership Center  
Five Points Plaza Building  
40 Marietta Street  
Marietta Street  
Atlanta, GA 30303

Toll Free 1-888-696-4687 ext. 2291  
Local telephone 404-331-1263 ext. 2291  
Fax: 404-331-4112

FHA Advantages	<a href="#">Page 2</a>
Tampa's Amber Place Subdivision / Orlando's HOLA One Year Anniversary	<a href="#">Page 3</a>
Atlanta's "More than Bricks and Mortar" Conference / Underwriting & Valuation Session	<a href="#">Page 4</a>
Indianapolis Sales & Marketing Conference / HECM Symposium	<a href="#">Page 5</a>
Orlando's International Builder's Show / Mississippi's Affordable Housing Conference	<a href="#">Page 6</a>
Housing Counseling and Nonprofit Training / HOC Real Estate Professional Training	<a href="#">Page 7</a>
Paducah Housing Authority Home Buyer Success / HUD & LAA Homebuyer Education Seminar	<a href="#">Page 8</a>
Atlanta Homeownership Center Upcoming Training / Congratulations Joanne Kuczma!	<a href="#">Page 9</a>
Lenders ... Did You Know? / Acronym Corner	<a href="#">Page 10</a>
Frequently Asked Questions Web Links	<a href="#">Page 11</a>

# FHA Advantages



- Only 3% required down payment
- Seller, real estate agent, builder and developer can pay up to 6% of sales price in seller contributions (closing costs, prepaid items, discount points)
- Gift funds can cover all transaction costs
- Sweat equity can be used for down payment
- No mandatory credit (FICO ) scores and flexible credit/underwriting standards
- No reserve requirements for one and two unit properties
- Adjustable Rate Mortgages (1, 3, 5, 7, 10 year terms) with annual and maximum caps
- Qualifying ratios of 31% for housing expense and 43% total debt, increased to 33% and 45% for new construction
- Ratios can be exceed with true compensating factors
- HUD's automated underwriting scorecard, TOTAL – reduced documentation requirements
- Non-occupant co-borrowers allowed for qualifying purposes
- FHA loans are assumable if occupant purchaser qualifies
- \$2,000 add on to mortgage amount for energy efficiency items
- Premium pricing can be used to pay closing costs and prepaid items
- Loss Mitigation options available to borrowers if they encounter payment difficulties
- \$300 cost for home inspection – eligible closing cost
- Streamline refinancing of current FHA-insured loan to new FHA-insured loan
- Upfront MIP 1.5%
- US Citizenship not required; lawful permanent and non-permanent resident aliens eligible with proper documentation
- 100% financing for loans in Presidentially declared disaster areas – no down payment for eligible borrower, but may have to pay closing costs and prepaid items.

## Groundbreaking on Tampa's Amber Place Subdivision



On February 17, 2005, Housing Program Specialists, Jose Parrilla and Joanna Wysocki attended the groundbreaking ceremony at Amber Place Subdivision in East Tampa. This is an affordable housing subdivision of 26 single-family homes sponsored and developed by Housing and Education Alliance, a branch office for the National Council of La Raza, a HUD nationally approved housing counseling agency. Houses at Amber Place will be available for first-time low to moderate-income buyers who may qualify for up to \$40,000 in down payment assistance. Remarks were given by Sylvia Alvarez, Executive Director, Housing and Education Alliance; Thomas Scott, County Commissioner District 3, Jan Platt, former County Commissioner; Nilda Ruiz, Senior Community Development Director, National Council of La Raza; Rosemary Gadsden, Atlanta HOC; and Denise J. Freedman, Bank of America.

---

### Orlando's Hispanic Office of Local Assistance

On February 17, 2005, Bobbie Thomas, Housing Program Specialist, Program Support Division, joined the Hispanic Office of Local Assistance (HOLA), city officials, and community partners in the celebration of the First Anniversary of HOLA, an office partnership with the [City of Orlando](#). Through this partnership HOLA offers information and referral services in English and Spanish for new arrivals and existing members of the Latino community. Through a HUD grant from the National Council of La Raza, [Latino](#)

[Leadership](#) launched for the first time ever in Central Florida, a bilingual "Home Buyers" program. Approximately 150 city officials, community partners, and members of the Latino community were in attendance.



## **More Than Bricks and Mortar: Expanding the Foundation to Build Community, People and Vision" conference**

N. Daniel Rogers III, Deputy Director, Atlanta HOC

N. Daniel Rogers, Deputy Director, E. Carolyn Hogans, Chief, Fields Operations Branch, and Rachel Allen, Senior Housing Program Specialist, Atlanta Homeownership Center, participated in the "More Than Bricks and Mortar: Expanding the Foundation to Build Community, People and Vision" conference on February 16, 2005 in Atlanta, GA. The conference was organized in part by FPM and CPD Staff, with assistance from the Atlanta Community-Based Training Consortium. Mr. Rogers served as the Department's representative on a panel entitled, "Real Tools You Can Use to Develop and Preserve Affordable Housing" and he spoke about the benefits of FHA and why FHA. Ms. Hogans presented information regarding HUD's Housing Counseling Program on a panel entitled, "Tools and Resources to Promote Successful Homeownership for Clients." The last session, "Real World Education: Increasing the Capacity of Nonprofit Housing Organizations," was moderated by Ms. Allen. Ms. Allen also served as a panelist and discussed HUD/FHA's Single Family Housing Program for Nonprofits. The conference was attended by approximately 250 individuals representing nonprofit agencies, local governments and government instrumentalities to include: Atlanta Neighborhood Development Partnership, the Atlanta Regional Commission, Georgia Department of Community Affairs, Habitat for Humanity, Neighborhood Reinvestment Corporation, United Way and several other housing industry organizations.

---



## **Property Underwriting & Valuation session**

On February 17, 2005, the Technical Support Branch of the Processing and Underwriting Division conducted a Property Underwriting & Valuation session for approximately 295 appraisers, realtors, and lenders. Topics discussed included home inspections, closing valuation documents, the appraisal review process, appraisal vs. inspection, sales contracts, property listings, and the loan process.

John Meyers, Acting Atlanta Regional Director

---



## **FHA Indianapolis Sales and Marketing Conference**

On February 8, 2005, Chris Rooker-Nance, Housing Program Specialist, Program Support Division, Indianapolis Office, was one of the presenters at the Sixth Annual Trustcorp Mortgage Banker's Sales and Marketing Conference. The presentation focused on FHA. Topics included: The History of FHA, Advantages of FHA Financing, FHA Maximum Mortgage Limits, What's New at HUD and HUD's Resources. After the presentation, there was a question and answer period. The audience was comprised of Trustcorp Mortgage staff, Production Affiliates and other Trustcorp Business Partners. There were over 100 participants in attendance.

---



Pictured from left to right: Cassius Butts (PSD), Teresa Chappell (FPM), Tracy Fields (PSD), Carolyn Hogans (PSD)

## **Home Equity Conversion Mortgage (HECM) Symposium**

The Program Support Division (PSD) in Atlanta supported the Office of Field Policy Management (FPM) in hosting a HECM Symposium on February 8, 2005, in the Richard B. Russell Federal Building. A panel of



Peter Bell (NRMLA)

mortgage lenders and housing counselors discussed the HECM program, which included housing counseling. Peter Bell, President of the National Reverse Mortgage Lenders Association (NRMLA) served as the event's guest speaker. The audience included housing counseling agencies, mortgage lenders, Faith-based Initiative organizations and local government officials. There were approximately 150 participants in attendance.

---

# International Builder's Show in Orlando



Pictured left to right: Jerrie Magruder, Bobbie Thomas

Bobbie Thomas, Housing Program Specialist, Program Support Division, Orlando Office, assisted Robert Walker, HUD Washington Fair Housing and Equal Opportunity Division, at the International Builders' Show in conjunction with The National Association of Home Builders 61st Annual Convention and Exposition. The Builders' Show was held January 13-16, 2005, in Orlando, Florida. This was the largest convention ever held at the Orange County Convention Center. The show included 150,000 attendees, 1,600 exhibitors displaying home and building products and more than 200 educational programs. The exhibit lobby where the HUD booth was located was open to the general public. The exhibit hall was only open to builders, developers, realtors, subcontractors, and construction industry professionals.

---



## Mississippi's Affordable Housing Conference

On January 13-14, 2005, the Mississippi Home Corporation's Affordable Housing Conference was held in Biloxi, Mississippi. Ruth Trembley, Chief, Field Operations Branch Chief, Program Support Division, Atlanta Homeownership Center; Andy Blake and Ginger Buck, Housing Program Specialists, Program Support Division, Jackson, Mississippi, presented the "Loss Mitigation" annual training to HUD Housing Counseling Agencies and Lenders. Ginger Buck also participated in a panel discussion on "Section 8 Homeownership" and Andy Blake participated in a panel on "Manufactured Housing Standards." In addition, Ginger Buck participated in a session on topic of "5.5 Million New Minority Homeowners by 2010: Getting Mississippi It's Share." There were approximately 300 participants who attended the conference including property managers, developers, mayors and local governments, lenders, real estate professionals and non-profits.





Charles Gardner, Atlanta HOC Director

## **Atlanta Housing Counseling and Nonprofit Training**

On March 31 and April 1, 2005, the Georgia State HUD office coordinated a Housing Counseling and Nonprofit Training for approximately 175 attendees in Atlanta, Georgia. Emma Newsome, Field Operations Specialist, FPM coordinated the training, with the assistance from the Program Support Division. John W. Meyers, Acting Regional Director, Region

IV and Charles E. Gardner, Director, Atlanta Homeownership Center, welcomed attendees and provided opening remarks. Atlanta Homeownership Center staff presented the "Loss Mitigation" annual training to approximately 81 Housing Counselors. Other HOC staff persons made presentations during the concurrent sessions which included: Becoming A HUD Approved Nonprofit; HUD Energy Initiatives; FHA Advantages; Preparing for Biennial Reviews; Becoming a HUD Approved Housing Counseling Agency; Loss Mitigation Problem Solving and other topics. HUD partners participating in the concurrent workshop sessions included FDIC; Georgia Department of Community Affairs and Southface Energy. Attendees represented Housing Counseling Agencies, Nonprofits, lenders, Real Estate Professionals and Local Governments throughout the State of Georgia.

---

## **Atlanta Homeownership Real Estate Professional Training**

On April 12, 2005, the Atlanta Homeownership Center staff provided training to approximately 50 real estate professionals. Deborah Marshall and Kurt Spindler, Processing and Underwriting Division, discussed

Energy Efficient Mortgages and presented the basic FHA underwriting criteria. Gayle Knowlson, Director, Program Support Division, informed the attendees of the advantages to their clients of using FHA mortgage insurance. Other elements of the training were: Section 8 Homeownership Vouchers - Public and Indian Housing; Down Payment Assistance Programs - Georgia Department of Community Affairs and Gwinnett Impact Group; How to Sell HUD Homes - AFR& Associates (HUD's Management and Marketing Contractor for Georgia); How to Improve Credit Scores - FPM; Navigating Through HUD's Website - HUD's Regional Webmaster; and Fair Housing Real Estate Requirements - FHEO.



Amber Lynn and Laurie Lambert

## Paducah Housing Authority Home Buyer Program Success Story

New homeowner Laurie Lambert and her two daughters Amber Lynn and Valencia Mason finally moved into their own home. The Paducah Housing Authority manages the Home Buyer program, which helps people such as Lambert prepare for homeownership by assisting them in getting loans and giving them training necessary to be a successful homeowner. Ms. Lambert's ambition and desire to own her

own home were part of the reason she was chosen for the program. Laurie Lambert was a resident of public housing for almost 10 years and did well in the program education classes she took. She attended the "Yes, You Can...Own a Home!" training seminar, sponsored by the Kentucky Housing Corporation, the state's HUD-approved housing counseling agency. "I always wanted to get a new house, but I didn't know how," Ms. Lambert said. "They really walk you through it".

The Paducah Housing Authority renovated the house Ms Lambert moved into. The Housing Authority was given the property by the City of Paducah. The City of Paducah purchased the home for \$1 from HUD's Single Family Local Government Program. The house was completely gutted: new walls, roof, new kitchen, bathroom, heating unit, windows, and doors. Neighbors said they are glad to see the house fixed up after being broken down for years. As for Ms. Lambert, she is happy the City selected the house and her family to fill it. "I have dreamed of owning my own home since I was a little girl," she said, "and now my dream has come true..."



Ivan Tirado, Underwriter, PUD Division, Atlanta HOC

## HUD & LAA Homebuyer Education Seminar

On April 16, 2005, HUD and the Latin American Association (LAA) sponsored a Homebuyer Education Seminar. The seminar was conducted in Spanish and it was focused on educating the Hispanic community on how to become an

informed homebuyer. Bilingual staff from the Atlanta Homeownership Center and the Atlanta Regional Office, along with other state, federal, and non-profit agencies from the Atlanta area were instrumental in preparing and presenting all the topics discussed. The participants were also informed about predatory lending practices observed in the Atlanta area, importance of a property inspection prior to purchasing, down payment and mortgage assistance programs, discrimination, and the importance of maintaining the property. Thirty-five families received HUD Certificates to be used for down payment assistance.



# Atlanta Homeownership Center Upcoming Training

**June 8, 9, 2005** - Charlotte, NC. DE Update & Appraisal Training 9:00 am - 12:00 pm - Education Seminar Charlotte Marriott Executive Park Hotel. Registration required, fee. [More...](#)

**June 15, 2005** - Jackson, MS. DE Update & Underwriting Valuation Seminar. Registration 8:00-9:00 am, seminar 9:00 am - 5:00 p.m. Location Old Capitol Inn, 226 N. State Street. For fee and registration contact the Mortgage Bankers Association of Mississippi at (601) 605-6687. [More...](#)

**June 16, 2005** - Columbia, SC - Loss Mitigation Training for HUD Approved Housing Counselors & Local Servicing Lenders. Registration 9:00 a.m. training begins 9:15 a.m. Space is limited. Location is U.S. Department of Housing & Urban Development Strom Thurmond Federal Building, 1835 Assembly Street, Columbia, SC 29201-2480. Reservations are required. Please contact [William\\_Snelling@HUD.gov](mailto:William_Snelling@HUD.gov) or call (803) 253-3213.



## Congratulations Joanne Kuczma!

Joanne Kuczma, currently Chief of Insuring and Underwriting Branch 2 in the Atlanta HOC, was selected for the position of Deputy Director, Home Mortgage Insurance Division, in Headquarters. Her anticipated reporting date is end of June or beginning of July.

Joanne started her career with HUD in the Tampa Field Office in 1980 as a clerk in Mortgage Credit and Real Estate Owned branches. She has held positions in Endorsement (including working on the conversion from manual MICs to computerized MICs), Credit Underwriting, Asset Management, and is currently a manager in the Atlanta HOC. Her knowledge, and the ability to communicate that knowledge, has been used extensively to train both staff and the housing industry. Her experience and knowledge of SF mortgage insurance programs, along with her common sense approach, to FHA mortgage insurance issues has earned her the reputation of an expert in the field. This experience and knowledge, attained through hard work and determination to excel in her career, has uniquely equipped her for her new position. Her approach to analyzing loans is summed up in a statement made to me years ago: "Underwriting is 90% common sense, and 10% knowing the regulations or where to find them."

Well done, Joanne. Your hard work and dedication has borne fruit that is beneficial to all of HUD. You will be missed in the Atlanta HOC, but by no means forgotten.

# LENDERS...Did you know?



1. Underwriting email questions can be directed to [atl\\_hoc\\_pud@hud.gov](mailto:atl_hoc_pud@hud.gov)
  2. After the loan has been endorsed, the FHA Connection (FHAC) Case Query screen will reflect how long the borrower must pay annual/monthly MIP (based on amortization of schedule payments).
  3. A current payoff statement is required for all FHA refinances, including Cash-Out.
  4. The Refinance Authorization printout from the FHA Connection (FHAC) is the best source to determine the Up-Front Mortgage Insurance Premium (UFMIP) refund credit and the original mortgage amount.
  5. The Atlanta HOC has an "Allowable Payoff Calculation Sheet" to assist in determining the accurate allowable payoff amount. The use of inaccurate payoff amounts is a primary cause of over-mortgaged refinance loans, often requiring a principal reduction.
  6. The guide for allowable closing fees and costs is located in Chapter 2 of the HOC Reference Guide at <http://www.hud.gov/offices/hsg/sfh/ref/hsgrecont.cfm>
  7. If you register for automated updates of the HOC Reference Guide (from our site at <http://www.hud.gov/offices/hsg/sfh/ref/hsgrecont.cfm>), you will also be notified of training and events, new Mortgagee Letters, and updated handbooks.
  8. Homebuyers can access a wealth of information for purchasing a home by clicking on the "Buying" link at <http://www.hud.gov/>.
  9. The expiration of the firm commitment is the greater of: the appraisal expiration date OR 90 days after the approval date.
  10. Processing and review errors are less likely if all documents are in English. The FHA case binder must contain ALL original documentation (non-English documents should be translated into English).
- 

## ACRONYM CORNER

(For more acronyms, please access <http://www.hud.gov/about/acronyms.cfm>)



<b>HUD</b>	U.S. Department of Housing and Urban Development
<b>FHA</b>	Federal Housing Administration (HUD Office of Housing)
<b>HOC</b>	Homeownership Center (FHA - Single Family Housing field structure)
<b>FHAC</b>	FHA Connection
<b>MIP</b>	Mortgage Insurance Premium
<b>DE</b>	Direct Endorsement (Program permitting lender processed and endorsed FHA mortgages.)

# Frequently Asked Questions (FAQs)

Here is a list of various FAQs that the Office of Single Family Housing within HUD has collected for citizens and partners. Be sure to go to HUD's main [Common Questions](#) page for additional information and lists.

<a href="#">▶ General Single Family FAQs</a>	<a href="#">Loan Fraud (Predatory Lender) Information</a>
<a href="#">▶ 203k Rehabilitation FAQs</a>	<a href="#">Loss Mitigation FAQs</a>
<a href="#">▶ Appraisal FAQs</a>	<a href="#">Loan Modification FAQs</a>
<a href="#">▶ Appraisal Questions for Lenders</a>	<a href="#">Management and Marketing Program FAQs</a>
<a href="#">▶ Appraisal General FAQs</a>	<a href="#">Military Mortgage Relief FAQs</a>
<a href="#">▶ Appraiser FAQs</a>	<a href="#">Military Mortgage Relief FAQs for Lenders</a>
<a href="#">▶ Assumptions FAQs</a>	<a href="#">Mortgage Insurance Premiums - Lenders</a>
<a href="#">▶ Claims FAQs</a>	<a href="#">Mortgage Limit Increases</a>
<a href="#">▶ Credit FAQs</a>	<a href="#">Mortgagee Review Board FAQs</a>
<a href="#">▶ Deed-in-lieu FAQs</a>	<a href="#">Non-Profit General Questions</a>
<a href="#">▶ Default Monitoring System FAQs</a>	<a href="#">Officer Next Door Program FAQs</a>
<a href="#">▶ Direct Sales Program</a>	<a href="#">Partial Claim FAQs</a>
<a href="#">▶ Disaster Relief FAQs</a>	<a href="#">Pre-Foreclosure Sale FAQs</a>
<a href="#">▶ Endorsement FAQs</a>	<a href="#">Relief Options for FHA Loans</a>
<a href="#">▶ Escrow Account FAQs</a>	<a href="#">RESPA FAQs for Industry</a>
<a href="#">▶ FHA Connection FAQs</a>	<a href="#">Reverse Mortgage Top Ten FAQs</a>
<a href="#">▶ Forbearance FAQs</a>	<a href="#">Servicing FAQs</a>
<a href="#">▶ Foreclosure FAQs</a>	<a href="#">Servicing and Loss Mitigation FAQs</a>
<a href="#">▶ HECM (Reverse Mortgage) FAQs</a>	<a href="#">Teacher Next Door Program FAQs</a>
<a href="#">▶ Housing Counseling FAQs</a>	<a href="#">Technical FAQs</a>
<a href="#">▶ HUD Homes FAQs</a>	<a href="#">Valuation FAQs</a>
<a href="#">▶ Interstate Land Sales FAQs for Developers</a>	
<a href="#">▶ Interstate Land Sales FAQs for Purchasers</a>	
<a href="#">▶ Lender FAQs</a>	
<a href="#">▶ Lender Servicing and Loss Mitigation FAQs</a>	